

November 4, 2014

NOTICE OF SPECIAL MEETING

When: November 18, 2014 7 p.m.

Where: Exhibit Hall (upper level) La Plata Fairgrounds 2500 Main Ave. Durango, CO

Purpose: Adoption of the Annual Budget AND the Annual Assessment for 2015

At the September 8, 2014, Annual Meeting of Recodo del Rio HOA, the Board presented the proposed Budget for 2015. This budget was based on actual income and expenditures from January through August of 2014, plus amounts based on expected additional expenses and actual expenses from the previous year (as required by Article VI, Section 6.5 of the AMENDED DECLARATION OF THE PROTECTIVE COVENANTS, CONDITIONS, AND RESTRICTIONS (CCR'S)). Because the Annual Meeting lacked a quorum, the budget was not adopted by the HOA membership, as required by Article VI, Section 6.5, of the CCR's.

At that meeting, the Board explained that, because of the aging of the buildings and infrastructure, expenditures for their repair/replacement are expected to increase (as are expenses for landscape management, including trimming of mature trees). For example, the first Recodo building (units #1-#14), nearly 18 years old, received new vigas, as well as extensive roof and stucco repairs. The Board was hoping that increasing the annual assessments could be avoided. However, September and October of 2014 brought significant unexpected expenditures for structural repairs, including replacement of some concrete slabs, which could not be delayed or avoided. In view of these additional costs, and the expectation that they may continue, the 2015 Budget has been revised (see attached).

Properly maintaining the community grounds, buildings, and infrastructure is necessary to protect the value of our property. In order to meet the increased repair and maintenance costs and to continue to build our reserves (as required), the Board has determined that the assessments must be increased by \$10 per unit, per month (annual increase \$5,520).

As provided by Article 3, Section 3.3 of the BYLAWS, the Board is calling a SPECIAL MEETING to have the owners adopt the Revised 2015 Budget and the increased Annual Assessment for the coming year.

It is imperative that you attend the meeting or submit your proxy vote or absentee ballot to adopt the 2015 Budget and the Annual Assessment. Whether Recodo is your principal residence, your future retirement home, or your investment, maintaining the quality and appeal of Recodo as a desirable place to live is important! If you are unable to attend the meeting, PLEASE be a responsible member and submit your proxy vote or absentee ballot (attached) by Monday November 17.

Thank you for your interest and participation!

Judy O'Neal, Secretary-Treasurer (judyo@frontier.net)