

Home Owners Association Fact Sheet

Frequently Asked Questions

- 1. What is the name of the Home Owners Association of Highmark Luxury Residences?**
Highmark Owners Association
- 2. When did the HOA commence operations?**
Highmark Home Owners Association commenced operations July 1, 2008.
- 3. Who manages the HOA?**
Presently the HOA is managed by a professional management company, Cobb Capital Corp based in Atlanta, Georgia. Post auction, on April 1, 2010, the HOA management will be delivered to a local resort management company such as Mountain Resort or Steamboat Resorts.
- 4. Will the local HOA management company also run the rental program?**
The HOA management company or its affiliate will also have a rental program that each buyer may, at his or her election, join.
- 5. Can owners opt out of the rental program?**
Yes, the rental program is purely voluntary.
- 6. Can the new HOA board terminate the HOA manager?**
Yes. After the turnover of the HOA Board that must occur under Colorado law, members of the new HOA board may terminate any existing management company upon 90 days notice.
- 7. What are the approximate HOA dues and how are they calculated?**
The HOA dues are approximately \$0.70 per square foot per month ranging from \$1,078 for a 2 bedroom + den/ 3 bath and \$1,424 for a 3 bedroom + Den/ 3 bath. HOA dues are allocated based on dividing annual budget of \$436,860 by 52,245 of total project square footage. All unit HOA dues are published on the Unit Information sheet.
- 8. How often are HOA dues collected?**
HOA dues are due on a monthly basis.
- 9. Have all HOA dues for all 23 residential units and the commercial unit been paid thus far?**
Yes, all HOA balances are current. 8 sold units are up to date by payment from their

owners. The 15 unsold units are all paid up to date as well by its owner.

10. Will all HOA dues be paid and up to date by the time of transition to the local management company?

Yes, the HOA management will be transitioned to the local management company with all dues and bills paid and current and with cash in the bank account.

11. How much cash will be in the HOA operation account upon transition to local management company?

3 months of dues for each of the 15 units actually sold in the auction (estimating \$59,400).

12. Does the HOA have any reserves?

Yes, please see the HOA Reserves sheet. HOA budget includes \$58,770 per year for reserves for capital improvements.

13. On what date did the HOA reserve account become established?

As per the HOA bylaws, the HOA reserve account became established on January 1, 2010.

14. Will there be any cash balances for the HOA reserve account upon transfer to the new local management company?

Yes, the HOA reserve account will be current with 3 months of reserves or approximately \$14,700

15. How were the HOA reserve amounts estimated?

Capital reserve amounts were based off of useful life and replacement costs estimated by industry trade contractors.

16. Will there be financial statements given by the previous HOA managers to the new HOA management company?

Yes, financial statements for year 2008, 2009 and first quarter of 2010 will be provided to the new HOA management company. Such will include P&L, Balance Sheet, and Statement of Account History for each unit.

17. Will the above financial statements be publicly available prior to the auction?

Yes, all financial statements will be available prior to the auction. They will be posted to the auction website as well as be available on-site at the auction.

18. In the event that not all 15 units are sold in the auction, what affect would that have on the HOA?

None. Any unsold units will remain the property of the current owner and the owner will continue to be obligated to make its HOA dues. Owner plans to continue to place any remaining units into the rental program.