

**Teal Spring Homeowner's Association
Annual Estimated Expenses/Assessments and
Special Assessments Notice
As of March 13, 2024**

The following information highlights projected assessment amounts for Teal Spring Homeowners' Association members in this start-up year and annual expenses going forward, including:

- **Special Assessment #1:** For all Lot Owners to fund the HOA Reserve Account.
- **Special Assessment #2:** Estimated regular expenses for partial start-up year for Members who purchase lots prior to April 1, 2025.
- **Annual Assessment starting April 1, 2025:** Estimated annual expenses.

Please see Teal Spring Homeowners Association's Covenants, Paragraph 35.k for details regarding Annual and Special Assessments. **The HOA hereby gives notice to potential buyers of the two Special Assessments listed below for this start up year.**

The Uniform Rate of Assessments described in HOA Covenants paragraph 35.k.6 is based on votes, and are allocated per lot owner as follows for Phase 1 that will be completed in 2024.

HOA votes per lot type:	Number of Lots	Votes per lot	Total Votes
Phase 1 Residential lots (Lots 2-32)	31	1	31
Phase 1 Commercial lot (Lots 1 and 52)	2	1	2
Phase 1 Commercial lot (Tract 2)	1	2	2
Total	34		35

The following provides more detail of the special assessments and estimated annual assessments:

Special Assessment #1: For all Lot Owners to fund the HOA Reserve Account. Once the development's infrastructure is complete (currently anticipated for October 2024), all Lot Owners will be charged a one-time special assessment to establish the HOA reserve account. The Declarant will send out a notice to Members that the development's infrastructure construction is complete, and Special Assessment #1 will be due 30 days after receiving the notice. The Declarant is providing a \$15,000 interest-free loan to the HOA to establish the reserve account/for initial working capital. As Members pay Special Assessment #1, the Declarant will be repaid that amount, reducing the HOA's loan balance owed to Declarant.

Special Assessment #1 for HOA Reserve Account	
Establish HOA Reserve Account	\$15,000
Divided by Total Phase 1 Votes	35
HOA Special Assessment #1 per vote	\$428.57

Special Assessment #2: Estimated regular expenses for partial start-up year for Members who purchase lots prior to April 1, 2025.

In this start up year, as we get a better understanding of what actual expenses will be prior to the April 1, 2025 Annual Assessment, there will be a Special Assessment for Lots sold prior to April 1, 2025. This one-time Special Assessment will be for the ACTUAL HOA expenses incurred from construction completion (estimated Sept/Oct 2024) through March 31, 2025. Special Assessment #2 will be billed some time in April 2025 after all invoices through 3/31/25 come in, and will be due by June 1, 2025. Then, starting on April 1, 2025, the HOA will continue with the Annual Assessments as described in the covenants. Lot Owners will be assessed Special Assessment #2 based on when they purchased the lot. For example, if they own the lot at construction completion, they pay their share of the full Special Assessment #2. If they purchase the lot in February 2025, the Special Assessment #2 will be prorated based on number of days the Lot Owner has owned the Lot.

As per the Covenants, Lots 1, 52 and Tract 2 do not have water rights, and therefore, do not have access to the HOA irrigation system. Those lots will not be assessed for water association fees and electricity to the pump. The following is an ESTIMATE of expenses that will be on Special Assessment #2:

Estimated Special Assessment #2 from Construction Completion through 3/31/2025	ESTIMATED Expenses Assessed to All Lots (Total for Lots 1, 52 and Tract 2)	ESTIMATED Raw Water System Expenses assessed to Lots 2-32	Total ESTIMATED Expenses Assessed to Lots 2-32
Utilities - Electricity for common area lighting	\$350		
Insurance	\$2,000		
Snow Removal - sidewalks and trails	\$8,000		
Trail/River/Outlot Maintenance	\$1,000		
Weed Control in common areas	\$500		
Mosquito Control	\$0		
Common Space Lawn Care/Landscaping	\$1,000		
HOA Management (3rd party manager to answer Member questions, maintain property, bookkeeping)	\$7,000		
Professional Fees: Tax Prep	\$1,000		
Professional Fees: Legal	\$500		
Bank Charges	\$250		
Office Supplies, Postage, Printing	\$500		
HOA Events	\$250		
Water Association Fees		\$1,000	
Pump Maintenance/Large Repair Reserve Fund		\$1,000	
Utilities - Electricity for Pumphouse		\$250	
Total HOA Expenses	\$22,350	\$2,250	\$24,600
Divided by Total Phase 1 Votes	35	31	
HOA Special Assessment #2 per vote	\$639	\$73	\$711

ESTIMATED Annual Assessment starting April 1, 2025

The following is an ESTIMATED Annual Assessment amount. This estimate is to give potential Teal Spring lot buyers an idea of anticipated annual HOA Assessments, but actual amounts may vary from this.

As per the Covenants, Lots 1, 52 and Tract 2 do not have water rights. Those lots will not be assessed for water association fees and electricity to the pump. The following is an ESTIMATE of expenses for the Annual Assessment issued on April 1, 2025.

ESTIMATED Annual Assessment starting 4/1/2025	ESTIMATED Expenses Assessed to All Lots (Total for Lots 1, 52 and Tract 2)	ESTIMATED Raw Water System Expenses assessed to Lots 2-32	Total ESTIMATED assessed to Lots 2-32
Utilities - Electricity for common area lighting	\$600		
Insurance	\$3,000		
Snow Removal - sidewalks and trails	\$8,000		
Trail/River/Outlot Maintenance and Clean Up	\$7,500		
Weed Control in common areas	\$1,000		
Mosquito Control	\$1,000		
Common Space Lawn Care/Landscaping	\$5,000		
HOA Management (3rd party manager to answer Member questions, maintain property, bookkeeping)	\$12,000		
Professional Fees: Tax Prep	\$1,000		
Professional Fees: Legal	\$2,000		
HOA Events	\$500		
Water Association Fees		\$9,000	
Pump Maintenance/Large Repair Reserve Fund		\$3,500	
Utilities - Electricity for Pumphouse		\$2,000	
Total HOA Expenses	\$41,600	\$14,500	
Divided by Total Phase 1 Votes	35	31	
HOA ESTIMATED Annual Assessment per vote	\$1,189	\$468	\$1,656

For questions about the HOA, please contact Shari Frisbie, at info@tealspringsheridan.com or call 612.770.5781.