

August 27, 2025

Dear SPOA Lot Owners,

You are receiving this letter because you are an Owner of a Lot in the South Shore at Stagecoach subdivision which is located on either Shoshone Way or Arapahoe Road, and is also located adjacent to a proposed new electric line which, if constructed, would bring utility-supplied electric power to your Lot boundary.

The electric utility that has authority to construct new electric lines at South Shore is the Yampa Valley Electric Association ("YVEA"). Your Lot does not currently have electric power supplied by YVEA.

SPOA now proposes to enter into an agreement with YVEA to construct a new electric line which will start near the Morrison Creek sewage treatment plant and travel up Shoshone Way to the intersection with Arapahoe Road and then down Arapahoe Road to the intersection with Uncompahgre Road. The path of this proposed electric line is shown on the maps which are enclosed with this letter. If you refer to those maps you can see where the line would pass by your Lot.

SPOA proposes to partially pay for that construction by levying a "special assessment" against the 59 Lots that are adjacent to the path of the proposed line. Under the applicable provisions in the Covenants, the process is started by the SPOA Directors passing a resolution to levy the assessment. That was done at the Directors at their meeting on August 20th. The resolution is then sent to the Lot Owners along with a ballot. If the Owners of 67% or more of the affected Lots vote to approve the assessment, then the assessment is levied against all of the Lots, including Lots owned by Owners who did not approve the assessment. If the assessment is not approved by Owners of 67% or more of the Lots, then the assessment fails and is not levied against any Lot. In this case, because there are 59 Lots listed in the resolution as benefiting directly from the construction of the proposed electric line, the Owners of at least 40 of those Lots must approve the assessment for it to become effective.

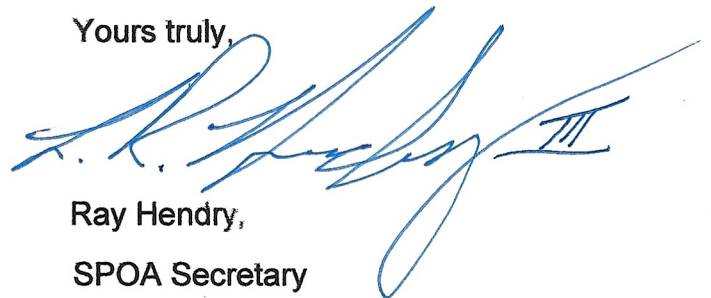
The total cost of construction quoted by YVEA is \$308,357.53. However, SPOA will contribute \$30,000 to the cost from funds budgeted for that purpose. The balance will be divided equally among the 59 Lots, with each Lot assessed \$4,717.93 as its share. Your payment of the assessed amount will be due 60 days after you receive notice that the assessment has been approved. If you do not pay the full amount within the 60 days, then interest at 8% per year will be charged on the unpaid portion of the assessment until it is paid.

The details of the construction, including the cost breakdown, are contained in the resolution passed by the board of directors at their meeting on August 20, 2025. A copy of that resolution is enclosed.

In addition to the resolution, you will also find enclosed a ballot for you to vote to either approve or disapprove the assessment. **Please note that if you vote to disapprove the special assessment, you can still be assessed if the Owners of at least 40 Lots vote to approve.** And, regardless of whether you vote to approve or disapprove, if the assessment is approved by a sufficient number of Owners, your share will be \$4,717.93.

Please enter your vote on the ballot, sign and date the ballot [all Owners must sign] and return it to our General Manager, Kasey O'Halloran in the stamped, self-addressed envelope provided.

Yours truly,

A handwritten signature in blue ink, appearing to read "Ray Hendry III", is written over the typed name and title.

Ray Hendry,

SPOA Secretary

BALLOT FOR SOUTH SHORE ELECTRIFICATION PROJECT

Please place an "x" or check mark on the line in front of one of the two choices below. Then, please fill in your name and address in the space provided, sign the ballot, and return the ballot in the enclosed envelope. If your lot is owned by more than one person (for instance, you and your spouse) please have all the owners sign the ballot before you return it. Any ballot signed by less than all the owners will be returned to you so you can obtain the additional signatures. If you have any questions or need additional copies of the ballot, please contact the Association General Manager, Kasey O'Halloran by email at: genmgr@stage-coach.com.

_____ I (We) **approve** the special assessment in the amount of \$4,717.93 per lot, on the terms and for the purposes set forth in the SOUTH SHORE ELECTRIFICATION PROJECT resolution approved by the SPOA directors at their meeting on August 20, 2025.

_____ I (We) **do not approve** the special assessment in the amount of \$4,717.93 per lot, on the terms and for the purposes set forth in the SOUTH SHORE ELECTRIFICATION PROJECT resolution approved by the SPOA directors at their meeting on August 20, 2025.

Name(s) [printed]: _____

Current Residence
Address [printed]: _____

South Shore Lot Number, if you know: _____

Signature(s): _____

Date: _____