**GOVERNANCE AND BUDGET**

# Governance

The Highlands is governed by a Board comprising of five Directors, each of whom is elected to serve a two-year term. The Board typically meets quarterly and posts the agenda prior to each meeting. All owners are welcome to attend the Board meetings except for any Executive Session which may be held to discuss personnel or confidential matters.

Each year a Nominating Committee solicits candidates who have shown a desire or willingness to serve, and an election takes place. The newly elected board than elects a President, Vice-President, Treasurer, and Secretary.

State law controls all homeowners associations through the Davis-Stirling Common Interest Development Act. The Board must abide by this Act as well as the forty-plus pages of the Homeowners Association CC&R's and the twenty-five pages of the By-laws. As a matter of information, the State laws take precedence, then the CC&R's and then the By-laws.

To remain in compliance with State law and the Association’s governing documents and to accomplish all the day-to-day business of the Association the Board employs a professional association management company. The company is J & W Management and the community manager for The Highlands is Mel Kuppinger. Among its many duties, J and W Management handles all payables and receivables, oversees vendors, prepares and coordinates the delivery of all disclosure and compliance documents, and interacts directly with the homeowners.

The Board also appoints an Architectural Committee made up of a minimum of three property owners. The Architectural Committee maintains Board approved Architectural and Landscape Guidelines and oversees homeowner compliance to these Guidelines and the good maintenance standards within the CC&R’s. The Architectural Committee also reviews plans of changes, additions, and new construction proposed by owners.

# Budget

Each November the Board establishes a budget for the next fiscal year which begins on January 1st. In late November each owner receives the next fiscal year’s budget along with other Association communications and disclosures.

The Association’s budget includes funds that are required to support ICA. ICA pays for street maintenance, the entry gates, security staff, and much of the common area landscaping throughout Ironwood. ICA also provides Spectrum cable TV and high-speed Internet to all homeowners within Ironwood. All of these costs are included as part of the budget for The Highlands. ICA does not separately collect these costs from each owner.

The budget letter sent to the owners each year breaks out owner assessments into three categories: 1) ICA costs (excluding cable TV/internet); 2) cable TV/Internet costs; and, 3) The Highlands Association costs. Owners of lots not yet developed do not pay cable TV/Internet costs.

Typically, about 80% of the Highlands owner assessment covers ICA and cable TV/Internet-related costs with about 20% of the assessment to cover costs related specifically to The Highlands Association.

With our Association’s budget costs relatively low (around $225 per month) and to reduce administrative costs, owners are required to pay their annual assessment in one installment at the beginning of each fiscal year in January.

The Highlands holds an annual party in the spring the cost of which is included in your annual owner assessment. This is a great time to meet your neighbors while getting association updates.