

**FAQ (Frequently Asked Questions)
Regarding May 23, 2024, Business Meeting & Amendments to Existing Indentures**

Q: Why is it important that I attend the upcoming Homeowners Association (HOA) Business Meeting on May 23rd?

A: Our by-laws state that a majority of the 154 (at least 78) property owners in our subdivision must vote to secure passage of any proposed amendments to the by-laws. At the January 25th business meeting, 31 ballots were cast for each of the three proposed amendments, far short of the 78 votes required, so the May 23rd meeting will allow for casting the remaining votes required by our by-laws in their current form.

Q: As a homeowner, why am I being asked to vote and approve three amendments to the indentures?

A: The current indentures, or by-laws, were written when the subdivision was being built in the early 1970's and were meant to protect the developer, not the homeowner. They are outdated in some respects and need to be changed so that the Homeowners Association (HOA) can be run effectively and efficiently.

Q: I was not at the January 23rd meeting. Why can't I vote online or by mail? What if I can't attend the meeting on May 23, either?

A: In response to the first question, our by-laws state that all votes must be cast at a meeting or by proxy. Enabling votes online or by mail requires the by-laws to be amended. In response to the second question, a group of volunteers are going to door-to-door with paper ballots to give homeowners who can't make the May 23rd meeting the option to vote by proxy; that is, to assign an individual who, has committed to attend the May 23rd meeting, to cast the homeowner's ballot on their behalf.

Q: The ballot for Amendment #1 redefines the number of homeowners needed to vote on HOA business proposals (or, a "quorum") from a majority to at least five. Why is that necessary?

A: As stated, the current by-laws were created to protect the developer, not the homeowners. In fact, the current by-laws were created before all 154 homes were built. A "Yes" vote will make running the HOA's business more convenient for those property owners who do not wish to attend HOA business meetings and enable the Board of Trustees to be both legally compliant and effective in executing the HOA's business.

Q: Still, why comprise a quorum to be at least 5 homeowners? That is way too low.

A: That certainly seems like a low number, but attendance at our annual business meetings has historically been below ten and most recently not more than 3 - 6 homeowners. The reason we had 31 homeowners present at our most recent meeting is because of these new proposed amendments and the trustees' door-to-door campaign to provide notice. History suggests attendance will drop off to historical norms, so the quorum set at 5 will allow your trustees to do business on behalf of homeowners if that occurs. Our residents need only attend the meetings and the quorum number becomes moot and everyone is heard and votes equally.

Q: The ballot for Amendment #2 proposes that annual assessments increase from \$75 to \$150 in 2024. Why such a large increase?

A: There are two primary reasons. First, the cost of maintaining our common ground continues to increase, both for routine grass-cutting/brush removal and for the increased number of dead trees we must remove due to our ageing woodlands. Second, our trustees have been communicating with the trustees of neighboring HOA's and our city's alderpersons throughout 2023 and have learned of some tax, insurance, and legal issues of general concern to all property owners and their respective homeowners' associations. The result is that we have incurred additional costs by adjusting our insurance coverage and engaging an attorney to help us navigate these issues.

Q: Are we, as homeowners, being sued, being taxed, having to make major insurance claims, or incurring cost increases other than those described above?

A: No. Your trustees have just observed a general increase in costs and the risk associated with the proper stewardship of the subdivision, insofar as the HOA is empowered to do so, and they are taking prudent measures to ensure that homeowners and their property values are protected.

Q: Why are being asked to double our annual assessment AND approve a provision that provides for annual increases if needed? Why is all that necessary?

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A: We currently have one of the least expensive assessments in West County, per the City & Village Tax Office (the firm used by our HOA and many others to administer our assessment and collection program), and our annual assessments have not been increased since 2006. That's almost 18 years! Inflation and an increasingly regulated and litigious environment, among other things discussed in this FAQ, have increased our costs and decreased our average cash account balance over time.

Q: Why is the proposed annual assessment increase cap set at 10%? That's too high. If one looks at the increase from \$75 to \$150 as proposed, that's less than a 3% annual increase since the assessments were raised to \$75 back in 2006. Why can't the annual increases be capped at 3% then? That seems more reasonable.

A: The proposed annual assessment increase cap of 10% is due, in large part, to our aging trees in the common ground. This condition creates higher costs for tree removal, both by volume of trees needing removal/clean-up and by the rates charged by our tree service. In addition, insurance and legal costs are going up as well. The proposed 10% cap included future considerations, not just historical trends, and we wanted our homeowners to have maximum flexibility to handle the HOA's financial obligations in these turbulent times without constraints that result from inadequate by-laws.

Q: The ballot for Amendment #3 proposes that our by-laws provide for special assessments. What are special assessments, and why should I vote "Yes"?

A: Our neighboring HOAs – Saxony to the west and Country Lane Woods, Addition #2 to the east – both have had to issue special assessments for one-time costs incurred due to unexpected events or common ground improvement programs that exceed cash on hand from annual assessments. *While our HOA is neither planning on, nor is aware of, any need for a special assessment, your trustees must be able to propose and get approval from the HOA to cover those costs should the need arise.*

Q: What if I have other questions? Where do I go for additional answers?

A: Please go to our website at countrylanewoods1.com, click on "Contact" on the main menu, and it will take you to the "Contact Us" page. Just fill out the form, click on "Submit", and a Trustee will contact you right away. **See you at the meeting!**