

Good Day,

The following is a basic break down of the three proposals Crestwood is hoping to adopt. My hope is that this guide will de-mystify what we are trying to do and provide some comfort in voting YES to all three measures. If, after reading through this guide, you still have questions then please email the board or christ.crestwood@gmail.com and I will do my best to answer your questions so you can make an informed vote.

Thank you,

Chris Timmins
Crestwood HOA Secretary

Reference documents are posted to our web site: www.crestwoodestates.net

ISSUE 1: The amended By-Laws.

There are only two significant changes:

1: Date flexibility for our annual meeting. As currently written the annual meeting MUST be held on the last Thursday in February unless it is a federal holiday. Since Mardi Gras is not a federal holiday, the by-laws currently require that the annual meeting be held even if the last Thursday in February is close to Mardi Gras. We propose a change to include school holidays and a +/- 10 day window for the meeting so more people are in town to attend.

2: Adding the ability to officially communicate and vote using electronic means (email, text, web votes). Record keeping standards will be the same or more stringent than our current rules require. **Paper** communication will still be the default unless you specifically sign up for e-communications. Having these options will make it sooo much easier to get and receive information for future expenditures, change a rule or covenant (This is ONLY ALLOWED when 2/3rds of the neighborhood agrees), and save a lot of time and energy in sending out notices for meetings and dues collection.

This is the first change to our By-Laws since their original writing in 1992. We are currently allowed to send notice via TELEGRAPH, but not email!

ISSUE 2: Increase the MAX CAP on dues from \$240 to \$400

This is NOT a right now issue. This is a future-proofing issue to combat inflation costs. Upon advice of our Lawyer, considering we are slowly creeping towards our CAP and we are already having our documents reviewed (at a cost of nearly \$200/ hour), it would be a wise addition for the long term needs of our community so we don't have to go back and pay for legal documents 5-10 years from now. TO BE CLEAR.... There are NO plans to even hit \$240 within the next 5+ years. A \$400 figure would not be seen until 25+ years from now. It is simply to allow for us to keep up with inflation over the next 20-30 years. It has taken us **27 YEARS** to get to the point where we are getting close on our current cap. Even if another board tried to raise the dues to \$400, it would take 11 years and they would be thrown out well before it got to that point.

ISSUE 3: Increase 2020 dues to \$200

We are changing to a private management company in December 2019 or shortly thereafter. This is a reality. Our board members have been seeking a viable way to step down for multiple years. Our Architectural Control Committee is nearly non-existent and dysfunctional at best. Most board members are doing the work of 2 or 3 people while still working Full-time and raising their families. When we do get a new volunteer most last a couple of months after he/she sees how much work is involved and then quits. The most amicable solution is for ALL of us to pay for someone else to do the work. The problem is that our current dues simply are not enough to cover the cost while keeping a healthy reserve for repairs, improvements, and our recreational annual events. Our current annual income is roughly \$63,000. Our fixed costs are \$38,000 a year before management and will be \$66,000 a year after.

-A fully staffed Board and ACC is made up of 10 people. We have been working with 4 or 5 active volunteers in these positions for the past 5+ years. Three have been trying to step down or get significant assistance for the past 3 years. Nobody wants the work or responsibilities.

-Management costs \$6/house/month= \$72/ year per household. We are seeking a \$3/month increase. (\$35 increase from \$165) This allows Crestwood to continue to maintain and improve our Community without using up our reserve funds, while still using existing dues already collected since most of Crestwood's big ticket items have been replaced in the past 5 years.

-less than one Coffeehouse coffee a month increase.

-Without this increase the BOD will still raise dues 8% a year over the next 3-4 years until we reach long-term solvency. This IS ALLOWED per our By-Laws

FAQ

Q: Who will be the management company and what will they do?

A: Renaissance property management is our choice. We looked at 3 different companies over the past few years, and they have the best track record and experience. They manage the affairs for 30 other HOA's with 10 years of experience. They will collect dues, send notices, function as the ACC for both construction approvals and violations, and provide monthly financial statements. A representative will attend our membership and board meetings. They will coordinate landscaping, maintenance, and repairs as needed.

Q: What happens if I vote NO on the \$200 dues increase?

A: We will still increase dues at 8% a year. \$178 for 2020, \$192 for 2021, and \$207 for 2022 while we deplete reserve funds and then try to "re-fill the bucket" in 2022 and beyond. These increases are allowed without a vote per our By-Laws and Deeds and Covenants. If anything big breaks (Lights/playground equipment vandalized) it may need to stay broken or a loan would need to be taken out, further increasing our group costs.

Q: What happens if I vote NO on the MAX CAP increase?

A: Nothing happens in the next 5-10 years. At that point, when due to inflation and aging community property, \$240 will be the cap until enough of our shared property degrades to the point of owners being upset enough to pass an increase. When the measure is brought up again, at additional legal costs, Crestwood will more than likely have a backlog of degraded community property to repair.

Q: What happens if I vote NO on the By-Laws Amendment?

A: Nothing. This measure only makes it easier to capture more of Crestwood's preferences with less effort. Currently most meetings are attended by 20-40 people that comment and debate our group decisions. E-communication would mitigate costs of official paper notices and give a better avenue for residents to provide input on how the Board of Directors maintains Crestwood for your family's enjoyment.

Q: Why can the Board raise dues 8% a year?

A: Article 7, section 6, subpart A in our Dedication of Servitudes, Easements, and Restrictive Covenants states that the Board of Directors may raise dues at 8% a year without a vote of the membership.

Q: What keeps the board from gouging me and going straight to \$400 with the MAX DUES increase?

A: Every year a maximum of 8% increase is allowed without a vote. Any dues collected beyond what is required for us to maintain Crestwood and a reserve fund must be refunded to the membership. Dues notices go out in December and are due in January. A new board is elected in February. If the Board is ever irresponsible they may be removed and replaced within 60 days of dues being collected. The new board may refund dues as needed.

Q: What community property is the Homeowners Association Responsible for?

A: All the grass and gardens at the park, front and rear entrances. The street, entrance, and park signs. The park play equipment, fencing, parking lot, gazebo, and benches. The lighting, irrigation, and decorations at the front and rear entrances.

Q: What expenses make up the current fixed costs of the Homeowners Association?

A: Lawn & Garden Maintenance 23,000.00 Insurance 6,500.00 Utilities 3,000.00 Storage Fees 800.00 Legal 1000.00 Property Tax 500.00 PO Box Rental & Postage 400.00 Meeting Expense 300.00 Supplies & Miscellaneous 2,500.00
Total is \$38,000 Management is in addition to this at \$28,000.

Thank you for your participation in this matter.