

Monday, April 23, 2018

Smoky Ridge Homeowners,

As of 4/9/2018, the board of directors of Smoky Ridge Maintenance Association has called for a special vote on increasing our dues beyond what we are annually authorized to. We are asking for an increase of \$243.30 to bring our yearly annual fee to \$490. The special meetings will be held at 6pm prior to our June, July, and August meetings. If we need a fourth special meeting to establish a quorum, the fourth meeting will take place August 28th at 6pm. We will meet at the Peakview Park South outside of Peakview Elementary at the southern pavilion. Enclosed with this letter is information explaining this process.

Smoky Ridge has been struggling for years to keep our infrastructure repaired as well as continuing our services in high standards. At this point, we have no way of paying for any overdue repairs and our services have been cut dramatically to prevent bankruptcy. The reserve study commissioned in 2017 concludes that we are poorly funded with only 2% of the money necessary to fund any repairs. **We need this increase to prevent a bankruptcy process that would cost every homeowner 3-5 times the amount we are asking for today.** Every board member with the consultation of 3rd party advisors have looked through our budget personally and have concluded that there is no moving forward without a large boost in our fees.

We are not trying to take your hard-earned money for unnecessary spending. It is our household budgets that are affected too. Our annual dues have been underpriced from the very beginning of this community and we are at a breaking point. We are asking for an increase that is less than what is suggested in our reserve study. The increase we are asking for may not even cover the costs of everything needed in the next ten years as the costs of repairs will continue to rise and our ability to raise our fees cannot match the demands. This is only a first step in what will be a multiyear referendum to repair our community and replenish our empty reserve fund.

As much as we would like to include trash with this proposal, our legal counsel has instructed us not to include the promise of trash until we address our ability to increase our fees. We still wish to provide trash at a bulk discount and fix our poorly written documents so that we don't slowly slide toward bankruptcy again, but it would require a more involved process and we lack the resources to tackle such feat at this time. We hope that everyone stays involved after this special vote so that we can accomplish a permanent solution to amend our documents.

Thank you for your attention and participation.

Smoky Ridge Board of Directors

How does a Special Vote work?

Article IV, Section 6 of our Declaration gives the association the ability to raise the dues above the Cost of Living Formula if we call a special meeting and vote.

“The first such meeting called shall require the presence of the Declarant and Members or of proxies, entitled to cast sixty percent (60%) of all the votes of each class of membership to constitute a quorum. If the required quorum is not present, other meetings may be called subject to the same notice requirement, and the required quorum at each such subsequent meeting shall be one-half (1/2) of the required quorum at the preceding meeting...”

We are calling the first meeting to be held on June 11th at 6pm which is 30 minutes before our scheduled monthly meeting. At this meeting if we hit a 60% or higher representation (310 households or more) of our community, we will proceed with a vote. If we don't hit our quorum at this meeting, we will hold a second, third and fourth meeting as necessary until we have enough households represented.

	Date	Households needed to establish quorum
1st Meeting	June 11th, 2018, 6pm	310
2nd Meeting	July 9th, 2018, 6pm	155
3rd Meeting	August 13th, 2018, 6pm	78
4th Meeting	August 28th, 2018, 6pm	39

The vote requires 2/3rd of the represented to say “yes” for the increase to pass. No matter when we are able to establish a quorum, your vote will make an impact. Please be involved in this democratic process.

All meetings are scheduled to be held at the pavilion on the south side of Peakview Elementary. We have renting out this area of the park so that we can accommodate any number of attendants.

If you can not attend, please send in the proxy enclosed to CPMG with the enclosed self-addressed stamped envelope. Regular updates will be posted to Facebook, Nextdoor and our website SmokyRidge.org.