

TO: David Hinkel, President; and the Green Valley TH Association (GVTH125) Board of Directors

From: Linda Reed, VP and Chair; Legal Action and Advisory Committee

Date: September 7, 2018

RE: Pro Bono Discussion with Attorney regarding potential Association split

On 18 July 2018, Aline Frybarger, Treasurer; Deb Serwin, Secretary; and Linda Reed, VP, met with Attorney Phoebe Harris to discuss the pros and cons and potential procedure for splitting our master homeowner's association into three separate associations.

Don Weaver, President of the GV Council referred us to Ms. Harris and assured us she was knowledgeable about HOA laws and processes. The meeting took two hours and was free of charge.

OUR FINDINGS:

The process is relatively simple. Ms. Harris would form three new non-profit corporations, file for three new EIN numbers and open three separate bank accounts: one for each of our neighborhoods. Once that was done, she would dissolve the original association with the Corporations Commission. She would handle the equitable distribution of funds to the three new associations.

In order to do so, we need a vote of 2/3rds of all persons who vote, or fifty percent of all members.

The existing Bylaws and Conditions, Covenants and Restrictions (CC&Rs) would initially be passed through to each of the three new associations. At the next meeting of each new association, they can elect to change the governing documents to suit the members of the association.

TIMELINE:

In September 2018, we would mail all members information about the restructuring process as well as a list of the pros and cons of so doing. We would also address member questions and concerns at subsequent HOA meetings in October, November and December.

Ms. Harris suggested we aim for a vote on the reorganization at the Annual Meeting to be held the third Friday of January 2019. In the meantime, we need to survey members in each neighborhood.

A separate ballot, to vote on this issue, would be included in the November 2018 annual mailing.

COST:

Ms. Harris estimates \$750 per association, approximately ten hours at their discounted rate of \$250. The existing association would fund the transition and bill and collect the 2019 annual dues and Ms. Harris would redistribute the funds at the end of January 2019.

***We look forward to your input on this issue, as well as your own ideas
about the pros and cons of such a reorganization. Thank you.***