

Members,

Please find attached the most recent draft of the proposed by-laws. Within these by-laws there are some proposed changes that need your input. There will be an online survey sent by email via survey monkey to follow, it will be open for 10 days, we are using this survey to obtain data regarding your preferences.

We have done quite a bit of research and the board has adopted changes to follow the town guidelines on lot descriptions. If the lots have been legally combined and there is only one tax bill we will count that as one lot and only assess one assessment but it will now count as only one vote. One lot = one assessment = one vote. That gives every voice an equal say. The original documents were based on dividing the common expenses equally among the number of lots in the association, not the number of owners. We need to get back to the original intentions, so this change has been implemented.

The following are key changes in the bylaws that require your input and ultimate approval, we are trying to determine which items may need to be eliminated in order to get a majority approval.

Quorum -As it stands now the quorum number that we need to meet in order to vote on anything is 130 votes, which is two thirds of the membership. In reviewing the history we have likely

never met that quorum in person or via proxy. That is why it is very important for you to either participate or send in your proxy. **Please remember, even if you are not paid in full, your meeting presence in person or by proxy can still count toward a quorum to conduct business.**

It has been suggested to lower the quorum requirements:

25% - 49 votes in person & proxies – 25 shares will pass a vote (not individual owners)

30% - 58 represented - 30 will pass

35% - 70 represented - 36 will pass

40% - 78 represented - 40 will pass

45% - 88 represented - 45 will pass

50% - 97 represented - 49 will pass

Keep in mind we only had 81 represented this last meeting – what would you be most comfortable with?

Knowing your Proxy Forms – We may be posting shortly, those members lot numbers who didn't attend our last membership meeting in person or by proxy. We hope members can reach out by phone, email or in person to contact these members to encourage them to vote or provide a proxy in the future. The proxy form is important for several reasons. Your proxy form allows for the association to conduct business and reach a quorum in your absence. If you would like to vote with the majority of the board you can list THE BOARD on your proxy if you do not know anyone but would still like to be represented.

Collections – Currently the association is responsible for paying the legal fees to collect from delinquent owners. The proposed change would allow the association to add the legal fees to the outstanding dues and put the responsibility on the owner choosing not to pay dues.

These are two areas the board feels are critical changes that need to be made.

The following are new additions: and will be going out shortly in a survey

Mortgages and Deeds – providing a copy to the association.

Late Fees and Interest – raising the late fee to \$50 per month and assessing an 18% interest charge unless a signed payment plan is in place

Fines – instituting fines for not complying with bylaws or rules and regulations

Transfer Fee – a one-time fee toward the reserves when purchasing/selling a home

Audit – A financial review of the books every three or five years – I've heard both suggestions.

Terms in Office – currently we have none

The new by-laws are in draft form for a reason. These are your by-laws and we want your input. These were prepared by the attorney working for you and we've had several informational sessions to gather information and share thoughts. There were a lot of good questions and a lot of clarification came out of that meeting. The by-laws will reflect those changes. If you have been unable to attend a meeting but have a question or would like clarification, please forward it along and we will do our best to get it addressed.

We are hoping to get these by-laws to a state that you will be comfortable voting on soon. I understand that we will not all agree on everything in there but this is your chance to get your voice heard.

The draft bylaws will also be posted to the Lancelot Shores website along with the survey for those not on the email list. We encourage everyone to join the group email. If you do not have an email, you can at least view the survey on the website and provide feedback by mail if needed.

Respectfully,
LSIA BOD