

"YOU MAY BE FACING A \$10,000.00 SPECIAL ASSESSMENT IF YOU DO NOT ACT NOW"

This or worse could become a reality if we do not get the Bellagio Village Townhomes community interest and participation going and find members who are willing to serve on the Board! This is not a recent development. As all of you know, everyone has been relying on the same old HOA members to fill the Board year after year. However, all members were advised at the 2009 annual meeting that this would be the current Board's final term and that new Board members would need to step-up for the following year. Now that time has come. As we approach our next annual August meeting we are looking for HOA members that are willing to serve on a Board of three. Your current Board, Ralph Jacoby, Sandy Au and Kathryn Gillespie will no longer volunteer for re-election to the Board. I must withdraw my name for nomination due to serious health issues, which subsequently takes Kathryn Gillespie out of future service.

To be clear, your current Board is not resigning and leaving the association without leadership. If we did, our management company could not function and bills would not get paid. Baldwin Management can do a lot of things, but cannot act in place of the board. In other words, our professional manager cannot run an association without a board. If people are not willing to come forward and serve on the Board then the last remaining act of your current Board of Directors will be to put the association into "receivership". For those members that are not familiar with this process I will briefly explain the dire consequences of receivership. To begin with, the current Board would hire an attorney (expensive to do) to petition the state court to appoint a third party, a receiver or custodian, to manage the association in place of the Board. The receiver would have the power to run the association, including the power to assess the membership for all costs needed to pay for operations. The downside is there are no restrictions on the size or frequency of assessments imposed by the receiver. The membership would have no say in what services were provided, what was repaired or when, or how much is paid for operations and repairs.

Imagine going days without hot water when our central boilers go down.

All that would be in the hands of the receiver. The receiver would likely special assess the membership to pay for his/her services at the approximate rate of \$150.00 to \$300.00 per hour. Getting into the worse case scenario (which is entirely conceivable) is that sellers must disclose to potential buyers the true state of our association's affairs ("receivership"), and who in their right mind is going to buy into our association? Also, lenders might be hesitant to lend once they learn that we have a receiver. I believe the value of all our units would plummet, perhaps to the point of being unsalable. None on the current Board wants Bellagio Village Townhomes HOA to go into receivership. However, all HOA members must realize that there is no other choice if we fail to get nominees willing to serve on the Board. That is because we would eventually have no "active" association.

WE ONLY NEED THREE PEOPLE WILLING TO SERVE AND PRESERVE BELLAGIO VILLAGE TOWNHOMES. I hope all members take this letter to heart...seriously. To dismiss serving on the Board because of apathy or fearing personal liability may have

dire consequences for everyone. Whatever your reasons were for not volunteering in the past, I urge you to reconsider serving. If need be, talk with other homeowners you know and please step-up with three nominees to complete a Board.

Thank you,

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Excerpt from a local HOA letter to their owners:

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