

**Questions, Answers and Comments  
from Hermitage Hills Subdivision  
General Meeting on 10-24-12**

**Questions related to the Voting Item for Approval of the New Indentures**

- 1. If the new indentures pass but either the proposed street assessment or administrative assessment does not pass, what would be the assessment amount billed?**

If one of the proposed assessments does not pass, the amount of the assessment will default to the minimum assessment amount of \$25.00 per lot for the Administrative Assessment and \$50.00 per lot for the Street Assessment as stated in the new indentures beginning with the 2013 billing that will be issued in the Spring. The 2012 assessment will be billed at the current .65 per front foot rate as in past billings.

**Questions related to the Voting Item Regarding the Engineering Study for the Neighborhood Improvement District (NID)**

- 1. If the NID is approved, will the amount a lot owner pays each year for possibly the next 15 – 20 years be passed on to the next owner if the home is sold?**

Just to clarify, this voting item is not to approve the NID, but rather to approve spending \$5,000 from the HOA fund for street repairs to pay for an engineering study of the subdivision to determine what the cost of the NID project would be to repair and/or replace the streets so they are up to code and need minimal future maintenance, as well as install a storm sewer system for water drainage that currently causes deterioration of the streets. Without this engineering study, it is impossible to know what the exact cost would be to each lot owners. Also, if funding for the engineering study is approved and the NID is rejected in the future, it would not be a waste of money, because we still need to know what the cost will be to repair the streets properly and to install a storm water sewer system so that we can try to raise money for these projects in the future.

After the cost is determined, the next step for establishing a NID would be to petition approval signatures from the lot owners included in the NID. If the required number of signatures is obtained (2/3 majority of the lot owners included in the NID) the HOA would have the subdivision lawyer submit the necessary paperwork to the County to request funding for a NID to be established. At that point, the trustees will have more information regarding what this will mean as far as the actual cost to the lot owners. If the NID is formed, it would be funded through a bond from Jefferson County and re-paid to the County by each lot owner in the NID through special tax assessments added to their real estate property taxes billed by the County. This additional tax assessment is attached to the property; therefore, it would be passed on to the next owner if the property is sold.

- 2. Will the additional tax being added to my property for the NID deter a potential buyer for my property?**

Until we know what the actual cost will be for the NID project that will determine the amount of the additional tax on our properties, we cannot know how much of a deterrent, if any, it would be.

- 3. Will the storm water sewer system to be included in the NID project correct water run off issues only on the streets or will it also include water run off problems on the lots in the subdivision?**

The storm water sewer system will only correct water run off on the streets as part of the street repair project in the NID. The water run off problems has to be included in the NID because the improper drainage causes the gravel on the sides of the streets to wash away and then undercuts the blacktop and causes it to get narrower as it deteriorates from the water and causes the pumping up of the blacktop as it goes underneath it. However, correcting the water drainage for the streets will also help alleviate the water run off that occurs on the lot owner properties.

## Miscellaneous Questions

- 1. In regard to the homes in the subdivision being built by Habitat for Humanity, who gave approval for them to build the homes, who bought the land and who pays for the homes or were they donated?**

Habitat for Humanity purchased the land and has the same right as anyone else to purchase property in our subdivision and do not have to get approval from the HOA to do so. Through their organization, volunteers build a home on the property and it is sold at a reduced cost to a family experiencing financial difficulties; however, the family purchasing the home is required to perform 600 hours of labor on building the home and to make mortgage payments to Habitat for Humanity as well as pay HOA assessments.

- 2. An owner of one of the undeveloped lots located at the end of Lazy Oak stated he has not paid the HOA assessments because he was waiting to pay until he knew when this gravel street would be extended to allow him to access his property. When he purchased the property in 1965, he was told a gravel street would be provided for the property.**

This is an issue the trustees will look into, however, cannot promise anything will be done at this time. The HOA was inactive for five – six years prior to the current Board being established in which annual assessments were not collected and no street repair was provided on subdivision streets. When the new Board was established two years ago, it had to start over with no money in the HOA fund and inherited debts from the prior Board. The new trustees were contacted by the homeowners on the develop lots on Lazy Oak who asked if the HOA could provide excavation and gravel repair to Lazy Oak because the gravel had washed out from water run-off and melting snow, they could not travel to their homes and mail could not be delivered. Because the HOA had no funding available at that time, the trustees made an agreement with these homeowners in which the homeowners provided the gravel and road excavation and submitted receipts for the money they spent to be applied as a credit towards their HOA assessments. The homeowners on Lazy Oak are still providing their own street maintenance which is why they are excluded from paying the annual street assessment outlined in the two tier assessment plan structure in the new indentures.

- 3. Which sections of streets in the subdivision are included in those that cannot have snow removal services because they are too steep for the snow plows?**

The only section that is too steep and cannot be included is the hill on High Cliff at the intersection of Westbourne Way. Another area that could not be plowed was the hill on Summerland Drive of the extreme deterioration and it is currently closed until repairs can be done. There were other areas of streets in which the pavement was in too poor of condition for a snow plow, but most of these were repaired in the recent road patching that took place a few weeks prior to the meeting which should alleviate that problem.

- 4. When a home in the subdivision goes into foreclosure, who pays the HOA assessments owed on the property?**

The bank that forecloses on the loan pays the assessments from the time it takes over the property and any past-due assessments are written off.

- 5. How much will the services of the Collection Agency cost the HOA?**

The agency takes 1/3 of the amount collected as payment for their services. The amount collected includes the past due assessments plus interest. The trustees would prefer to negotiate with the lot owners to set up payment arrangements rather than turn the accounts over to the collection agency so that the HOA can benefit from the full payment.

- 6. Is there a way for those who own 2 lots to have them joined into 1 lot through the County?**

A lot owner can have the legal description changed to one lot, but the subdivision indentures state assessments are billed according to the original plat map.