

QUESTIONS AND ANSWERS IN REGARD TO CC&R VOTE

CAPITAL CONTRIBUTIONS:

Section 8.12 only applies to re-sales in the Master Association; it does not impact via a retroactive fee to current owners or require a one time contribution from current owners. Only if an owner is selling his/her home, it is the Board's goal to have in the CC&R's specifying that Capital Contributions on re-sales will be paid in an amount equal to two quarters of assessments (\$186 currently) into the Association operating account.

Q. Why is the Board seeking this change?

A. The Association is funded almost solely through owner assessments. The Board is seeking ways to increase other revenue sources to help keep assessments low.

Q. How will this keep my assessment low?

A. Non assessment revenue gained through capital contributions directly offsets operating expenses which helps decrease the need for future assessment increases.

Q. Where do these funds come from?

A. Capital Contributions are paid at the sale of a home through the closing process. The proposed amount is equal to six (6) months of assessments (currently \$186).

Q. Could this affect the sale of my home?

A. It is unlikely that it will impact the sale of a home since the funds are collected with closing costs. Capital Contributions are a common method of collecting non-assessment revenue by homeowner associations.

Q. Does this mean my assessments are paid six (6) months in advance?

A. No, Capital contributions are not pre-paid assessments. They are non assessment revenues that help fund the ongoing operating costs of the Association.

Q. Who is responsible for paying the Capital Contributions at closing (buyer or seller)?

A. Upon close of escrow there are typically negotiations as to who pays what. MEMA will not dictate who the responsible party is for payment of the Capital Contribution.

Q. Do we get more amenities: clubhouse, community pool, fitness center, tennis courts, etc.?

A. The Board is seeking ways to increase other revenue sources to help maintain low assessments. Adding amenities would increase assessments due to the expenses associated with the planning, building, and operation of such amenities.

Q. How much impact does MEMA anticipate if this change passes?

A. Impact example: MEMA averages 1,000 owner to owner closings per year. In 2017 the revenue would have been roughly \$186,000.

ANNEXATION:

Q. Why is the Board seeking this change?

A. Developments within or adjacent to MEMA boundaries will occur whether annexed into MEMA or not. However these developments will have an impact on MEMA through their use of the public parks and paseos that all MEMA residents pay for through their assessments. In addition these developments may not develop to the high standards expected of the MEMA community. Therefore the objective is to have input upon developments adjacent to or within our boundaries including design guidelines and community standards and to have these developments to pay assessments and potentially capital contributions to MEMA to offset the cost of their impact.

Q. Can the Board annex property without that owner's permission?

A. No, annexation can only occur if the owner of the parcel formally requests to become part of MEMA.

Q. Does the Board intend to annex large parcels into the Master?

A. The goal is not to expand MEMA but to have input upon development adjacent or within our boundaries including design guidelines, community standards and addressing the impacts on our parks and paseos.

Q. Can the Association annex existing lots/homes or is this for new developments only?

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- A. More than likely new developments will be annexed however existing owners or developments could be annexed with the approval of all parties as long as they are within the boundaries of MEMA.
- Q. Will this make my assessments go down?**
- A. Annexation would mean the lots/units would be required to pay assessments to MEMA which is a benefit to our community. Without new developments paying for use of the parks and paseos, MEMA owners will bear the additional financial burden of maintaining these areas that the new areas will not pay for.
- Q. What benefit do I receive from this?**
- A. The benefit is to maintain property values throughout MEMA and maintain low assessments. The Board will have input with regard to developments building adjacent or within our boundaries and adhering to MEMA's design guidelines and community standards as well as paying assessments.
- Q. Does this mean more traffic congestion on the roads throughout MEMA?**
- A. New development will occur in and around Mountain's Edge regardless of whether they become part of the Association.
- Q. How will this positively affect me and MEMA?**
- A. The benefit is to maintain property values throughout MEMA and maintain low assessments. The Board will have input in regard to developments building adjacent or within our boundaries and adhering to MEMA's design guidelines and community standards.
- Q. What amount of these new home's assessments will benefit the existing owners?**
- A. Approximately 60% (depending on the layout and design of the parcel) will contribute to offsetting costs that all current owners share.

EASEMENTS:

- Q. Why is the Board seeking this change?**
- A. Private Companies have shown interest in installing improved infrastructure in MEMA. In the near future the data needs of MEMA may not be met by current infrastructure. This amendment will allow the Board the ability to negotiate the best benefit for MEMA residents through the process of granting an easement.
- Q. Will the easements be allowed on my property?**
- A. MEMA is unable to grant easements on private property or property not owned by MEMA.
- Q. Public Utility infrastructure already has easements in much of our common area along the roadways. Why the need for this change?**
- A. Future expansion of infrastructure may require additional easements on MEMA property. The easement process allows the Association to negotiate concessions from the provider for its impacts on the common area and community.
- Q. Will mature landscaping be removed to accommodate the easements?**
- A. It is possible that some landscaping will be affected during the improvements of the infrastructure. The easement process allows the Board to control the restoration and/or enhancement of the common area from the infrastructure improvements. Without the easement process, the Association will not have the power to control how the common area is affected or repaired.

GENERAL:

- Q. What happens if you do not receive the necessary votes?**
- A. The vote fails and the changes are not implemented.
- Q. Does the entire community have to vote yes?**
- A. Per the CC&R's, MEMA requires 51% (6,052 affirmative votes) or more of the total aggregated voting power to approve the change