

PROPOSED AMENDMENT TO THE INDENTURES OF TOWNE SOUTH HOMEOWNERS' ASSOCIATION

I vote YES to the Proposed Amendment as stated below.

I vote NO to the Proposed Amendment as stated below.

Address

Date

Printed Name

Printed Name (If held jointly)

PASSED

in 11/2023

WHEREAS, the Board decided that the Indentures of the Towne South Homeowners Association (TSHA) need to be updated in order to more closely reflect the current operation of the Association and;

WHEREAS, the current procedure in the Indentures to amend them is burdensome and unworkable and;

WHEREAS, the first step to successfully update the Indentures is to create a new Amendment Procedure to allow for an orderly and workable method to accomplish the goal of updating the Indentures.

BE IT RESOLVED, the Board proposes the following amendment to the Indentures replacing the current Article V II and replacing it with the following:

**ARTICLE VII
DURATION, AMENDMENT, MODIFICATIONS**

These Indentures shall be perpetual. These Indentures may be amended, modified or changed, including the additional burdens, according to the following procedures:

- A. Board Proposed: The Board of Governors by a unanimous vote may submit to the Owners a proposed amendment to the Indentures. The Amendment will then be submitted to all of the Owners according to Paragraph C.
- B. Owner Proposed: Owners, by written petition, signed by 20% of the Owners can submit an amendment to the Indentures. The amendment will then be submitted to all of the Owners according to Paragraph C.
- C. Amendment Procedure: Any proposed amendment to the Indentures shall be subject to approval by the Owners at a duly called meeting where the requisite quorum, in person or by proxy, is present. Notice of this meeting, along with a written statement of the proposed amendment, shall be given at least 30 days prior to the meeting by delivering the same, U.S. postage pre-paid, to all Owners at their official address as kept in the Association records. An affirmative vote of two-thirds (2/3) of the Owners who are present at this meeting, in person or by proxy, is required to approve any proposed amendment. If the amendment is approved the Board of Governors shall execute and file the amendment with the Recorder of Deeds of St. Louis County.

PROPOSED AMENDMENT

WHAT IS IT?

The Proposed Amendment is a document that was prepared by an attorney who has historically assisted with issues within Towne South.

It proposes an amendment to a SECTION or ARTICLE in the current indentures. It does not change the entire indentures.

WHY ARE WE PROPOSING IT?

For years, the previous board members in Towne South discussed the need for some changes within the indentures. The most recent revision to the indentures took place in 1996. In the last 27 years, much has changed in the way we live and do things and our indentures have not kept up. There are some small changes we would like to see and some a bit larger, but all which will require providing notice to lot owners, and which cannot be changed without a vote of the lot owners.

WHAT WILL CHANGE?

In the short term, this proposal amends ONE THING - VOTING (how we vote and the requirements for passing an amendment). The concept to this amendment is to make it more practical and fluid for future amendments.

WHY ARE WE AMENDING ARTICLE VII?

Currently, Article VII states:

*****DURATION, AMENDMENT, MODIFICATIONS*****

All the foregoing provisions and restrictions shall continue and remain in full force and effect at all times against said property for seventy-five (75) years from the date of the Indenture and shall, as then in force, be continued automatically, without further notice, for successive periods of ten (10) years each unless, within six (6) months prior to the expiration of any of said periods, notice is given to the Board of Governors by two-thirds (2/3) of the owners of lots platted on the land then subject hereto of their intention to terminate this Indenture, in which event same shall be terminated and ended at the end of such period. It is further expressly agreed and understood that any modification; amendment, change or elimination of any one or more of the lots or part or parts thereof may be made at any time by the written consent of two-thirds (2/3) of the owners of the lots in the land subject hereto, subject to the approval of a majority of the then Board of Governors.

What does this mean?

It means that currently, the indentures of our neighborhood will continue to be the indentures, unchanged until the year 2037 (75 years after 1962), and then after that, they will continue to renew every 10 years automatically with no change and no notice to the lot

owners UNLESS 2/3 of the lot owners submit a request to the Board for a change, AND there is consent in writing by 2/3 of lot owners for that change, AND the majority of the Board of Governors approve the change.

What is wrong with current Article VII? Our subdivision has 713 lots. 2/3 of 713 lots is 478.

Getting 478 lot owners to approve EACH TIME an amendment is proposed is nearly IMPOSSIBLE. We are attempting to update the Indentures with the participation of homeowners who care. Not the group of people who really don't care one way or the other about what happens in their subdivision.

What does the proposed NEW Article VII mean?

The proposed amendment to the current Article VII means a few things:

1. ONE TIME and ONE TIME ONLY will our neighborhood need to go through the uphill battle of getting 2/3 (478) of all lot owners to vote on something. That ONE TIME is right now! We will need 2/3 of the lot owners, or 478 approvals to pass this amendment.
2. AFTER this amendment passes we will no longer need 478 approvals EACH TIME there is a proposal to amend the indentures.

WHAT WILL WE NEED?

1. We will need to give notice of the proposal to all lot owners, just like we did this time.
2. We will need to schedule a meeting to vote on the said future amendment, just like we are planning on this time.
3. Those that are present in the meeting (either in person or by proxy or who have mailed in their vote) will vote on any future proposed amendments and at that meeting, there will need to be 2/3 approval of the votes cast to pass an amendment. The magic number here is 2/3 of those that CAST a vote will pass and future amendments. NOT 2/3 of all lot owners.

HOW WILL THE FUTURE AMENDMENT PROCESS WORK?

By passing the current proposed amendment, we are saying:

- A. If there is a unanimous vote within the Board of Governors to change or amend a portion of the indentures THEN it moves to Section C. or
- B. If there is a written petition by 20% of lot owners, that's only 143, for a change or amendment to a portion of our indentures, THEN it moves to Section C.

NO AMENDMENT WILL PASS IF THERE IS NOT A UNANIMOUS VOTE BY THE BOARD.

NO AMENDMENT WILL PASS IF THERE IS NOT A WRITTEN PETITION BY 20% OF LOT OWNERS.

THIS IS A SITUATION WHERE A&C must happen or B&C must happen.

We are getting responses from lot owners that say they agree with "C", but not "B". DO NOT MISUNDERSTAND THE PROPOSAL.

An Explanation of SECTION C:

A proposed amendment will be mailed to all lot owners with a date and time of the meeting to be held in which we will cast a vote for the amendment. This mailing will occur at least 30 days prior to any vote.

Within that meeting, there needs to be a "requisite quorum" present. This means there needs to be lot owners at our meeting! A requisite quorum, meaning a reasonable representation of lot owners which would be expected for such a vote. As an example, if 4 people come to vote - THAT is NOT a requisite quorum. However, if 30-50 people come to vote on the amendment, the Board may determine that represents a requisite quorum.

Then within the meeting, there will be votes cast on paper by those in attendance or by proxy, plus votes returned to us by US Mail prior to the date of the meeting. THEN if 2/3 of the VOTES CAST approve the amendment, then it passes.

To put it into perspective, the new Board of Governors has taken up the task to increase communications within the neighborhood to all lot owners. The general consensus and feedback from mid-2022 to the present is that there is a very large majority of our lot owners who do not know there is an HOA, or do not know there is a Board of Governors, who do not know what their dues pay for, and who do not know we meet monthly to discuss concerns within the neighborhood. Because of that, there is very little involvement of lot owners within our community.

Once a month, when the board holds open meetings, 10-20 lot owners attend the meetings. That is a very low turnout in a neighborhood of 713 lots. That is a 1.4%-2.8% attendance rate. We are hoping the change to Article VII and any future amendments will promote involvement within the neighborhood. If you care about the changes, you need to make time to come vote! If you don't make time to come vote in person (or by proxy) or by US mail, your vote does not count!