

Explanation of Ballot Issues for Amendments to Fox Lake Indentures

1) Lien Priority

The HOA places a lien on properties that have not paid assessments, which includes fees and interest. A property sale cannot be completed until our lien is paid. Recently we've lost thousands of dollars because mortgage companies have claimed precedence over our liens.

We want to amend the indentures to state that our liens will take precedence over all other liens, except for real estate taxes and other governmental assessments.

2) Amendment Process

Currently we are required to obtain approval of 75% of all residents in order to change the indentures. Most indentures require that amendments will be considered approved as long as less than 25% of respondents vote against an amendment within 30 days of receipt of a ballot.

3) Rental Homes in Fox Lake

In order to improve the stability and conditions of the subdivision and increase property values, we propose phasing out the availability of rental homes in Fox Lake. We currently have over 60 houses in the subdivision that are rented and not occupied by the owners. Many owners are out of state companies. Some are not maintaining the property as it should be, and not monitoring the occupants. There have been issues with gunshots and large numbers of people staying at rental properties. Many neighboring subdivisions such as Parc Argonne, Paddock Estates, and Wedgewood have banned rentals in their subdivisions. If we continue to allow them, we can expect more renters and more problems.

Exceptions:

- Rentals to a direct family member of the owner are allowed. Direct family member is defined as children, parents, grandchildren, grandparents, caregiver, in-laws, stepchildren, or siblings of the property owner.

- Any houses that are currently rented may continue to do so for one year from the effective date of this amendment. After that, no new rental agreements may be entered into or extended.

- The rule can be waived for a reasonable period of time for an individual owner who is experiencing hardship or unanticipated circumstances such as military service, job transfer, medical conditions, economic or market conditions, or other reasonable cause. If a waiver is granted, the owner may rent the home for the approved amount of time (not longer than 12 months).

A written lease is required with a specified ending date, a copy of which will be provided to the HOA. Houses may not be leased on a short term basis, via Air BnB, VRBO, time sharing, or other similar arrangements.